

The complaint

Mr W, through a representative, complains that Revolut Ltd (“Revolut”) didn’t do enough to protect him when he fell victim to a scam.

What happened

The details of this complaint are well known to both parties, so I won’t repeat them again in full here. Instead, I’ll summarise what happened and focus on giving the reasons for my provisional decision.

Between January and April 2022, Mr W lost money to an investment scam. Following this, he fell victim to a recovery scam in June 2022. In total, he lost over £180,000 with payments being made through a combination of faster payments and debit card payments.

Our investigator upheld this complaint in part. She didn’t think the initial payments ought to have looked concerning to Revolut but felt that the eighth payment made, which was a faster payment made in February 2022, should have. She felt it was clear the account wasn’t being used for its intended purpose – ‘vaults’ – and that the amount of £15,000 was significantly higher than previous spending and was identifiably being made to cryptocurrency. So, she concluded it would have been appropriate for Revolut to intervene from this point and thinks the scam would have been uncovered if it had done so.

But our investigator also concluded that Mr W should bear some responsibility for his loss. She said there were clear indicators that the company Mr W was investing with was operating a scam. Overall, she recommended that Revolut refund 50% of Mr W’s loss from payment eight onwards, less any amounts recovered, plus 8% simple interest per annum on the amount from the date of payment to date of settlement.

Mr W accepted the recommendation, but Revolut disagreed.

However, the funds that were transferred out of Mr W’s Revolut account were originally transferred in from an account he held with a third party who I’ll call “D”. And, after our investigator issued her view, our Service was provided with information from that third party, including call recordings and account notes. I got in touch with Mr W’s representative in relation to this information to provide a summary of what had been received and to let him know that I was minded to reach a different conclusion as a result. I also asked some questions based on what I’d received which were responded to.

I issued a provisional decision in October 2024. In this, I said:

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I agree Revolut ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

In this case, I’m minded to agree that Revolut should have intervened at the point suggested by our investigator – the £15,000 payment on 7 February 2022. But,

based on the evidence I've now been provided with, had it done so, I'm not persuaded that it would have altered Mr W's decision to proceed with the payments.

I say this because of the calls and system notes I've been provided with by D. The first call was on 18 January 2022, which was also the date of the first payment made from Mr W's Revolut account. In this, Mr W had been transferring £5,000 from D to his Revolut account. D raised concerns that Mr W looked to have fallen victim to a safe account scam and read a statement about this. But Mr W gave assurances that led to his account being unblocked. He showed awareness in this call about some scams and made it clear he was making the payments himself and that no one had accessed his device.

While I don't think Revolut ought to have intervened on this date, I do think this call is relevant to mention as it gives an indication of Mr W's confidence around the payments.

The second call was on 24 February 2022. D asked if Mr W's payment was being made to an investment to which he said it was. D asked how Mr W got involved with the investment and in response, Mr W said, "I'm going to invest anyway, no matter what is said, it's my money." D explained that sometimes consumers come into a bit of money and look to invest online and somehow get contacted by someone after this. "Oh no, no, I've contacted them". He was asked if he'd done his due diligence to which he said and had no concerns. D asked if he'd checked the Financial Conduct Authority ("FCA") website and Mr W said he hadn't but that he would.

There was an FCA warning from prior to the payments being made stating that the firm involved wasn't authorised by the FCA and it warned about the risk of scams. According to his representative, Mr W did check the FCA website and did have concerns. He raised these concerns with the scammer and was told the firm wasn't regulated in the UK but was registered elsewhere. This seemingly allayed Mr W's concerns.

This second call is particularly relevant as it was clear from this that Mr W didn't want to be prevented from making payments. And there was a strong suggestion, from what he said and the tone used, that he wasn't going to take heed of any warnings given. He also expressed frustration within the intervention calls from D, as he wanted to proceed with the payments without the need for calls.

I've reviewed the available evidence from D and thought carefully about what would have happened if Revolut had intervened and asked probing questions about the attempted payments. The nature of the recipient of the £15,000 on 7 February 2022 is unclear so I disagree with our investigator here as I don't think the payment was identifiably being made for cryptocurrency. I say this as the payee didn't (and doesn't) have an internet presence. Account notes from D relate to payments attempted to this company and say that Mr W appeared to be giving misleading information regarding the beneficiary of funds. It says he'd claimed the payments related to a kitchen refurbishment. So it's likely that had Revolut questioned him about the payment, he would have said something similar to them.

Other substantial payments were identifiably made to cryptocurrency and to online payment wallets, and it could be argued that Revolut should have intervened with these too. However, the account notes from D refer to payments being declined as it no longer facilitated transactions to cryptocurrency due to the high risk of fraud. It also stated "He called to sort the ac block, he is aware moving forward [D] currently has no appetite for crypto currency deals and I have explained how much fraud there

is out there using them.” So I’m persuaded that D had a conversation with Mr W about the risks of making payments to cryptocurrency. I’m not persuaded that a warning from Revolut, which would have been either a written warning or through human intervention but via an online chat function, would have resonated with Mr W when a conversation in branch with D didn’t.

Revolut didn’t intervene when it should have. So I can’t know exactly what would have happened if it had. But I think a key point here, in trying to determine a fair outcome, is the consideration of what Mr W thought he was paying for and the interaction he had with D. Mr W thought he was paying towards an investment. And his actions show that he was quite adamant about making payments, to the extent he was willing to provide a cover story. We also know from his testimony that he was coached by the scammer. So, I think his intention here was to do what was needed in order to get his payments – to a purported investment he seemingly trusted at the time – processed.

So, in summary, I do think Revolut should have intervened. But I don’t think it would have made a difference to his decision to make payments. By his own testimony and given his actions, he was being coached by scammers and he’d been led to believe that the money had to go through quickly as “the price was going down”. The necessity to go in branch to speak with D, where it’s apparent there were conversations and warnings about cryptocurrency, didn’t deter him from making the payments – he just made these through another account. He also trusted the scammer enough to dismiss concerns about the investment not being FCA-regulated. So, I don’t think it would be fair to assume that there would have been a different outcome had Revolut made proportionate enquiries – I think it’s likely Mr W would have found this equally frustrating and been just as keen to proceed to use his own funds in the way he wished.

I turn next to the recovery scam. Three payments for the (supposed) recovery of funds were made just over two months after the last payment to the scam - £100, £2,900 and £6,000. Mr W told us, via his representative, that the scammers said the money he’d previously invested was held up somewhere and requested an insurance payment to guarantee the full amount. The recovery scammers had information on the amount he’d invested and how much profit it had generated.

I’d be minded to say that the third payment potentially ought to have led to an intervention. But I’m not persuaded that this would have stopped Mr W from proceeding. I say this because, based on the amounts involved, I’d have expected Revolut to have provided a written warning broadly covering scam risks. But from what we know of Mr W’s previous interactions where warnings have been provided, he’s not taken heed of warnings which entailed a human who asked questions. So I don’t think a broad scam warning provided in writing would have resonated with him. On this basis, I think it’s likely Mr W would have again said what he needed to in order for the payments to be processed.

For these reasons, I don’t think it would be fair to hold Revolut liable for Mr W’s losses.

I’ve looked at the attempts Revolut made to recover the funds once it was made aware of the scams. It said it tried to recover the funds and that two beneficiaries had said none remained, with a third not responding. And I wouldn’t expect it to have raised chargebacks, where relevant, as the recipients of the funds were legitimate merchants that seemingly met their obligations to Mr W in carrying out the service

requested – cryptocurrency exchange. So I think it made reasonable attempts here, despite being unsuccessful.

I recognise how disappointing this will be for Mr W and I'm sorry that he's been the victim of a cruel scam which has led to the loss of such a large amount of money. But my provisional decision is that it wouldn't be fair or reasonable to ask Revolut to refund his losses.

Revolut didn't respond. But Mr W, via his representative did. He disagreed with my provisional findings. In summary, he said:

- There was minimal intervention in the first call with D and it largely related to safe account scams.
- There were multiple red flags in the second call with D. It's common for scam victims to be abrupt when under the influence of scammers. So, Mr W's response "*I'm going to invest anyway...*" should have been recognised as a red flag.
- The narrow line of questioning in the second call misled Mr W into believing the situation was not a scam.
- D didn't ask Mr W for specific information about the company he was dealing with. Had it enquired further, it would have identified that the company wasn't authorised by the FCA and provided more effective warnings.
- The intervention was from D, not Revolut. And Mr W's Revolut account was opened as part of the scam. D explained it had no appetite for cryptocurrency dealings. But had Revolut intervened, it could have been more effective in stopping the scam as the intervention would have raised more questions and concerns for Mr W.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, while I know how disappointing this will be for Mr W, and I'm truly sorry he's been the victim of a such a cruel scam, I don't uphold this complaint – I'll explain why.

It's important to reiterate that this complaint is against Revolut, and not D. So, it's not relevant for me to detail what more, if anything, D should have done in its interactions with Mr W. I've also already acknowledged that Revolut should have intervened – I maintain that it should have done so. But crucially, I have to consider what would most likely have happened if it had and whether, on balance, Mr W would still have made the payments.

Touching briefly again on the first phone call referenced, while the focus of the questions was to ensure Mr W wasn't falling victim to a safe account scam, there were questions as part of this call around whether he'd been told to open the account with Revolut. Mr W gave assurances that he'd opened the account himself and was under no pressure to do so, or to make any payments. Mr W was also asked whether anyone called him advising they needed to take remote access of his device. We know from Mr W's testimony that the scammer did take over his device. I recognise this was under the guise of assisting him with the investment, rather than to help with any issues with his device or internet, but I do also note that Mr W was quick to answer when questioned, "*Has anyone called you advising they need to take remote access of your device to help...*" "*no*".... *with any issues with your device or internet*" "*no, no*". Though the exact timings around when the scammer accessed Mr W's device are unclear it appears from Mr W's testimony that this was prior to opening the account with Revolut. So I'd be *inclined* to think that answering "*no*" so quickly to this question was following coaching from the scammer and was somewhat inaccurate.

Moving onto the second phone call, after Mr W said he was going to invest anyway, D explained why it was asking how he'd got involved in it. As outlined in my provisional decision, Mr W then gave assurances he was the one to have contacted the 'investment company'. And while it didn't ask the name of the company, it advised Mr W to check the FCA website which he said he would do. Mr W did so and had some concerns but these were allayed by the scammer. This tells me the same would most likely have happened if Revolut had suggested the same – I don't consider it the role of the financial business to carry out the research.

While I recognise that this phone call was some time after Revolut should have intervened, I'm not persuaded that an earlier intervention would have made a difference. By 7 February – the date there should have been an intervention – Mr W had already allowed the scammer to take over his device, has told us he trusted the scammer and had made multiple payments towards the scam. He'd also been able to withdraw from his investment by this date, which he told us provided further reassurance. So, I don't think that the fact the intervention from D was later on has had an impact overall.

Mr W suggests that if Revolut intervened, it could have been more effective in stopping the scam as the intervention would have raised more questions and concerns for him. But, as I stated previously, I'm not persuaded that an intervention (which would likely have been through an online chat function) would have resonated with Mr W when a conversation in branch with D didn't. And I say this in particular as it's clear that D had numerous concerns about the legitimacy of what Mr W was involved with, and yet he didn't take heed of their warnings. Ultimately, it was Mr W's responsibility to consider the information and warnings provided and carry out independent research. While he seems to have done this, it would appear that he turned to the scammer for reassurance and was happy to continue having done so.

While I recognise that Revolut should have intervened, I think it would be unfair, based on the available evidence, to assume that there would have been a substantially different outcome – i.e. Mr W wouldn't have made the payments – had Revolut asked about the payments. From what I've seen and heard, Mr W was keen to make the payments, regardless of the clear concern expressed during the intervention from D.

In conclusion, I'm not persuaded that an intervention from Revolut would have stopped Mr W from proceeding with the payments. I therefore don't think it's fair or reasonable to hold it liable for his losses.

My final decision

For the reasons given above, I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 26 November 2024.

Melanie Roberts
Ombudsman